

JIM MATHESON
2ND DISTRICT, UTAH

www.house.gov/matheson

Congress of the United States
House of Representatives
Washington, DC 20515-4402

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COMMITTEE

May 28, 2010

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Genachowski:

I would like to share my thoughts on the National Broadband Plan (NBP) and its potential implications for rural America. I fully support the goal of the NBP in ensuring that every American has affordable access to robust broadband service. Key to reaching this goal is reforming the universal service fund to focus on broadband deployment. As you craft the policies that will achieve these goals, I urge you to keep in mind the impact of your current proposal on rural America.

In particular, I am concerned that some of the proposals in the NBP have the potential to set the United States on a course toward a greater digital divide between urban and rural areas. For example, while trumpeting the benefits of broadband at 100 megabits per second (Mbps) for 100 million homes, the NBP also moves to transition the universal service fund to support broadband offerings at 4 Mbps. The practical impact is two very different goals for rural regions and more densely populated areas. Establishing such a low threshold for rural residents and businesses has the potential to hinder their ability to share in the transformative vision for broadband outlined in the NBP. Further, it could impair the ability of telecommunications carriers to make investments necessary to deploy broadband services in our most rural areas.

Rural Americans and businesses are understandably concerned about the impact of the proposals in the National Broadband Plan on their ability to receive comparable and affordable broadband service. I ask you to seriously consider these concerns as you implement the plan's recommendations and take the appropriate steps to ensure all Americans play a role in, and benefit from, the promise of broadband.

Sincerely,


JIM MATHESON
Member of Congress

WASHINGTON OFFICE:
1323 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4402
PHONE: (202) 225-3011
FAX: (202) 225-5538

SALT LAKE OFFICE:
240 EAST MORRIS AVENUE (2430 SOUTH) #235
SOUTH SALT LAKE, UT 84115
PHONE: (801) 486-1238
FAX: (801) 486-1417

SOUTHERN UTAH OFFICE:
321 NORTH MALL DRIVE #51018
SAINT GEORGE, UT 84790
PHONE: (435) 827-0880
FAX: (435) 827-1473

EASTERN UTAH OFFICE:
120 EAST MAIN STREET
PRICE, UT 84601
PHONE: (435) 636-3722
FAX: (435) 613-1834



From the Washington, D.C. Office of
Congressman Jim Matheson

2434 Rayburn House Office Building • Washington, D.C. 20515
Tel: 202-225-3011 • Fax: 202-225-5638

To: Chairman Genachowski

Date: 5-28-10

Fax Number: 202-418-2806

No. of Pages: 2 (including cover sheet)

From:

Amy Andryszak

Shana Beavin

Ashley Martin

Leslie Durham

Kristen Lingley

Macey Matthews

Joseph Wright

Message:

for your consideration.

Thank you



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 13, 2010

The Honorable Jim Matheson
U.S. House of Representatives
2434 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Matheson:

Thank you for your letter expressing concern about the effect of the National Broadband Plan's (NBP) proposed universalization level of 4 Mbps on rural America. The NBP called for a Connect America Fund to enable all U.S. households to access a network that is capable of providing both high-quality voice-grade service and broadband that satisfies the National Broadband Availability Target. Recently, the Commission's Omnibus Broadband Initiative (OBI) staff released a technical paper addressing the Target speed, which I am enclosing for your review. The OBI paper details the reasons for the 4 Mbps level and notes the importance of periodic adjustments as the data supporting the Target continues to evolve.

The 4 Mbps speed is very aggressive and represents one of the highest levels in the world today for universalization, while the NBP's 100 Mbps number is based on a long-range goal. Few residential customers today subscribe to 100 Mbps service, and 4 Mbps currently is the median speed purchased by consumers. Only 6 percent of consumers subscribe to broadband service that is faster than 10 Mbps. Broadband service at 4 Mbps permits consumers to utilize its full benefits, including web browsing, e-mail, two-way video conferencing, and watching educational lectures online in standard definition. The Target speed also is "reasonably comparable" to the broadband service currently provided in urban areas, which is the standard mandated under Section 254 of the Communications Act for universalization. Cost is also a factor that needs to be considered – subsidizing universal 100 Mbps deployment today could cost as much as \$320 billion, which could increase the size of the fund to \$40-50 billion annually, and lead to a universal service fee, on average, of \$30 per month per American household.

Be assured that I am committed to making broadband affordable and attainable by all Americans, regardless of where they live or which service providers they use. I look forward to working with you and other Members of Congress as the Commission transforms its universal service policies to ensure that there will be no digital divide in our nation. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Julius Genachowski

Enclosure